

VZCZCXRO2800  
PP RUEHDBU RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR  
DE RUEHTH #0676/01 0931037  
ZNY CCCCC ZZH  
P 031037Z APR 07  
FM AMEMBASSY ATHENS  
TO RUEHC/SECSTATE WASHDC PRIORITY 8636  
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 ATHENS 000676

SIPDIS

SIPDIS

E.O. 12958: DECL: 03/19/2017  
TAGS: [PREL](#) [PGOV](#) [GR](#)  
SUBJECT: DAS BRYZA VISIT TO GREECE: FOCUS ON ENERGY  
DIVERSITY, REGIONAL ISSUES

Classified By: DCM TOM COUNTRYMAN. REASON: 1.4 (B) AND (D).

¶1. (C) SUMMARY: In his March 13 meetings with GOG officials EUR DAS Bryza underscored the importance of energy diversity for regional development and Azerbaijan's commitment to provide sufficient gas for the Turkey-Greece-Italy pipeline. Both the MFA and Development Ministry officials were concerned by the last-minute Azeri postponement of the March 15 Intergovernmental Committee meeting (detailed discussion of Development Minister Sioufas' concerns about Azeri gas supplies ref b). Bryza undertook to raise the cancellation directly with the Azeri Foreign Minister. With MFA officials, Bryza welcomed GOG measures for Thrace Muslims, noting that the initiatives could help prompt GOT action on the Patriarchate. Both Deputy FM Valinakis and PM advisor Bitsios expressed concern about Macedonia, noting that potential NATO entry in 2008 would complicate efforts to resolve the name dispute with Greece. Bryza also pressed officials to energize the Gambari process in Cyprus. Bryza's discussion with MFA Spokesman Koumoutsakos on NATO's recent cancellation of an exercise over the island of Ayios Efstratios reported ref b. END SUMMARY.

DEPUTY FM STILIANIDIS: IS AZERI GAS FOR TGI A SURE THING?

¶3. (C) Deputy FM Stilianides opened with bad news: an Azeri delegation slated to visit Athens on March 15 for a meeting of the Intergovernmental Committee on Azeri gas supplies for the TGI pipeline had postponed its visit for the second time. Bryza agreed that the cancellation was troubling though it is the Azeri Foreign Minister, not Minister of Economics, who has the lead on energy diplomacy. However, he noted that the Azeri President was firmly committed to gas sector development, as seen by his decision last December not to buy Russian gas for Azerbaijan's domestic use. Moreover, President Aliyev had instructed SOCAR to focus its investments over the coming five years on production, including for TGI. Bryza told Stilianides he recognized that the GOG needed certainty from the Azeris; he offered to call the Azeri FM and try to get the visit to Greece rescheduled asap. Making TGI work was our priority as well as the GOG's.

¶4. (C) Stilianides asked about a possible pipeline from Kazakhstan to Baku. Would it be viable? Bryza noted that, during a recent visit to Kazakhstan, he met with PM Masimov; Masimov preferred to focus on compressed natural gas shipments for the moment, to lead the way to a gas pipeline. Kazakhstan could then develop new fields, while TGI is realized. Regarding Turken gas exports to Europe, Bryza added that much depended on a new political direction in Turkmenistan. From a technological standpoint, development could happen quickly; it would be both easy and inexpensive to build a pipeline to existing Azeri offshore facilities. In our view, the issue of demarcation of the Caspian had no bearing; this should be a bilateral issue between Kazakhstan and Azerbaijan; moreover, this would be a production

pipeline, of which there are already hundreds or thousands of miles on the Caspian Sea floor.

15. (C) Stilianides suggested working together on developing alternative energy resources. U.S. technology to harness wind power would be practical for Greece's agricultural and island populations. He had personally encouraged Greek businessmen to contact U.S. firms with technological know-how. Bryza was enthusiastic, suggesting a visit to Greece by the Secretary's energy advisor.

#### GOG MEASURES FOR THRACE MUSLIMS

16. (C) Bryza welcomed the significant GOG measures to address concerns of Thrace Muslims, announced in early February. Stilianides agreed, adding that some of the measures -- lifting wakf debt, hiring of additional imams -- would require parliamentary legislation to implement. However, others could be enacted outright by the GOG (restoration of citizenship, hiring quotas, vocational training). Bryza pointed out that a project spearheaded by our Consulate in Thessaloniki (which focused on kenaf as an alternative crop for area farmers) could also play an important part in developing the region. Stilianides agreed.

17. (C) Stilianides questioned comments in the U.S. Human Rights Report regarding the GOG's accommodation of Sharia law in the region. Greece has long cited this practice as a model for Europe. Stilianides argued that, because of this practice, muftis -- who exercised judicial authority -- must continue to be appointed, not elected (as Thrace Muslims would prefer). However, if the muftis relinquished judicial responsibilities, election would be possible. Bryza urged

ATHENS 00000676 002 OF 003

Stilianides to work quietly with the GOT on mufti elections with secular judges in Thrace appointed by Athens; Stilianides agreed but stressed that Turkey needed to live up to its commitments to the EU, and not consider minority issues a bilateral topic.

#### DEPUTY FM VALINAKIS SUGGESTS POSTPONING MACEDONIAN NATO ENTRY

18. (C) Deputy FM Valinakis focused on Macedonia. The ND government was concerned it would lose seats in the upcoming general election (predicted by Valinakis for autumn) to both PASOK and the far-right LAOS party. That would push their parliamentary majority down to the minimum. Should the Parliament then be called on to ratify Macedonia's entry into NATO, it would be impossible to ensure adherence to the 1995 Interim Agreement (allowing Macedonia to join as "FYROM"). For that reason, Valinakis recommended postponing NATO accession for Macedonia (and Albania) from 2008 to 2009 -- giving more time to resolve the name issue. Croatia's candidacy, he suggested, could move ahead. Bryza told Valinakis he would review the proposal, though the US hoped Macedonia's NATO candidacy would not be blocked by Greece. He noted some in Skopje sought to ease tension with Greece over maps, textbooks, and other sensitive symbolic issues.

19. (C) Turning to Cyprus, Valinakis argued that little progress was possible given elections in Turkey, Greece, and Cyprus over the next year. With the Famagusta-Varosha proposal "dead," and direct trade regulations going nowhere, Valinakis suggested that the EU announce that Kyrenia and Famagusta represented the border of the EU -- without reference to the Republic of Cyprus. In keeping with such a statement, the EU would recognize the necessary certificates required for export of goods. Officials from the European Commission, the ROC, and the Turkish Cypriot community would implement the decision at the port. Bryza noted that this proposal would require a considerable shift in position by both the Turkish Cypriots and the GOT, but might be worth exploring.

HIGHLIGHTING ENERGY DIVERSITY AS A REGIONAL ISSUE

¶10. (C) In a discussion with MFA Political Director Vassilopoulos, Bryza linked energy issues to regional developments in the Caucasus. He underscored that the U.S. was not seeking a confrontation with Russia on natural gas, but we did want greater competition. Allies in Europe should have the ability to choose from commodity suppliers. But as Russia would need to invest in infrastructure to develop its own gas reserves, it preferred to exploit cheap central Asian gas resources and block competition for Caspian gas. Creating competition would not only strengthen economies in those countries, but also reduce the undermining influence of organized crime and give Gazprom incentive to pursue more market-based strategies. Turning to Georgia, Bryza noted the suspicious rocket attack on Georgian facilities, and the Georgians' conviction that Russian MIG 24s were responsible. It was important to keep Georgia on a positive course, and broaden its ties to the West. Bryza urged Greece to use its "soft power" to keep the situation calm and take a non-provocative stance toward Russia; Vassilopoulos agreed.

¶11. (C) Bryza noted that both the U.S. and Turkey faced a number of immediate challenges: Turkish elections this year, a possible end to the PKK ceasefire, the U.S. commitment to help eliminate the terrorist threat in northern Iraq, and a possible Congressional resolution on the Armenian genocide. In many areas, the U.S. remained dissatisfied with the GOT -- including its statements on Ayios Efstratios, lack of support for Cyprus reconciliation, and threats by the Turkish military to move into northern Iraq. Bryza assured Vassilopoulos that we would press for progress on the Patriarchate; recent GOG measures in Thrace helped provide the GOT with political cover. Vassilopoulos stressed GOG support for Turkey's EU aspirations, but added that it had yet to see results. He noted that while Greece's measures in Thrace were an internal matter, Turkey's obligations to the Patriarchate were literally essential to its survival. He suggested Turkey copy Egyptian practice toward the Greek Orthodox Patriarch in Alexandria.

PM ADVISOR BITSIOS ECHOES CONCERNS RE: MACEDONIA, CYPRUS

¶12. (C) Bryza briefed PM Karamanlis' diplomatic advisor Bitsios on energy issues, focusing on Greece's concern about Azerbaijan as a dependable supplier. The U.S. was committed to making that happen. Bitsios agreed that more competition in the energy sector was essential, and welcomed U.S. support for the Burgas-Alexandropouli pipeline. He asked Bryza to stay in close touch on Caspian gas issues. Bryza praised Greece's measures for Muslims in Thrace, adding that the U.S. would look for action by the GOT on the Patriarchate. The

ATHENS 00000676 003 OF 003

President had raised this issue with PM Erdogan; U/S Burns raised it at every opportunity, and Bryza himself discussed it with Turkish officials.

¶13. (C) Bitsios echoed Valinakis' concerns about Macedonia's entry into NATO in 2008 as "FYROM." Such a decision would have serious political implications for Greece. He urged the U.S. to press Skopje to negotiate seriously, to avoid problems with its NATO entry. The GOG had reached the limit of what it could do. DCM Countryman pointed out that this was a political issue for both Greece and Macedonia; neither wanted to commit political suicide. Bryza agreed it was important for GOM authorities to recognize the political realities, and support the negotiating process.

¶14. (C) Bryza pointed out that the situation on Cyprus was drifting, with each side increasingly willing to live apart rather than work for a settlement. Bitsios noted that the Cypriots wanted a completely new plan -- but it was simply too late for that. He urged Bryza to work with Papadopoulos, and encourage contacts and cooperation. Bryza suggested energizing the Gambari process as a first step. Bitsios

added that Turkey needed to handle the Cyprus oil question carefully; the window for tender submissions ended just prior to the anniversary of the Turkish intervention of 1974, predicting a rise in tensions.

115. (U) DAS Bryza has cleared this cable.

RIES